

One Planet Prosperity -

A Waste to Resources







### 1. Introduction

Without natural resources we can neither meet our daily needs for life nor create prosperity. However, the rate of resource use today considerably exceeds the planet's regeneration capacity.

The most successful countries in the 21<sup>st</sup> century will be resource efficient, circular economies, which do not produce significant quantities of waste. A circular economy keeps materials in use for as long as possible and extracts maximum value from them.

This great challenge is now reflected in SEPA's Statutory Purpose directing us to protect and improve the environment, including the sustainable use of resources, in ways that as far as possible create social and economic success.

SEPA views the circular economy as a game-changing opportunity to:

- manage resources within planetary limits:
- reduce the harms associated with waste management;
- create economic opportunities.

We recognise it as the ultimate goal of waste and resource management and we will do more to support waste prevention and facilitate the use of secondary resources in the economy. This will work alongside and have knock on benefits for our compliance, pollution and crime prevention roles.

## One Planet Prosperity – SEPA's Regulatory Strategy

The Regulatory Strategy outlines SEPA's approach to delivering environmental protection and improvement in ways which will also create social and economic success. A key element of the strategy is to encourage and support businesses who seek to find innovative and efficient ways to go beyond standard levels of compliance while operating within Earth's capacity to support us.



This framework sets out SEPA's approach to waste and resources. The primary method of delivery will be through sector engagement plans and the framework will be integral to the delivery of our broader Regulatory Strategy.

SEPA will develop and report on specific performance measures within our delivery plans to demonstrate progress and allow others to hold us to account.

## 2. Bigger picture

The world is undergoing an unprecedented period of resource stress. Whether particular resources are actually running out or not, the outlook is one of supply disruptions, volatile prices, accelerated environmental degradation, rising political tensions and protectionism over resources.

We must dramatically cut waste production across the economy, recover more and dispose of only the very minimum. Where waste is produced, it must be managed to maximise value and minimise environmental harms. Doing this relies on more than the waste management industry and action is required across the whole economy. As reflected in the Scottish Government's economic and manufacturing strategies, this shift is necessary to increase productivity, open up new markets and improve resilience.

Industries are already rethinking their use of raw materials to drive new efficiencies, retain control of materials and manage their waste more wisely. Governments have made market interventions such as the landfill tax, producer responsibility and, most recently, the new duty on business to recycle.

## Making Things Last

Scotland's first circular economy strategy, Making Things Last, takes the targets and ambitions of Scotland's Zero Waste Plan and Safeguarding Scotland's Resources and places them firmly in the context of achieving a more circular economy in Scotland as a whole. This strategy provides a clear direction and a call for action to build on Scotland's progress in the zero waste and resource efficiency agenda.

Scotland's waste and resource industry is rising to the challenge and has transformed almost beyond recognition in the last 20 years. It is highly dynamic, constantly innovating to take advantage of new markets through new technologies and practices. As a result, Scotland recycles more and landfills less than at any point in our recent history.

However, the way the economics of waste has changed presents opportunities for criminal gain which, if not proactively tackled, will undermine the move to a circular economy and cause wider harm to the environment and communities. Further, we have still not achieved basic compliance with waste legislation and unfortunately waste management can still be associated with crime, illegal disposal, pollution and nuisance.

At this point in our journey, it is not a choice between driving resource efficiency, preventing harm or tackling crime, we must do it all and do it together with the people of Scotland.

## 3. Framework

To be a first class environmental protection agency, we need to use all our regulatory levers, influence and partnerships to bring environmental, economic and social objectives together.

With respect to waste and resources, SEPA:



Our overarching vision for this Waste to Resources Framework reflects our new statutory purpose and focuses on our core contributions.

Vision – The sustainable use of resources creates prosperity and the management of waste does not cause environmental harm

Underneath the vision sit four high-level aims that will drive our priorities and allow stakeholders to hold us to account in the delivery of our work. Individual projects can contribute to one or more of the four aims and much of what we do and why we do it sits across multiple aims.



## Aim 1: Businesses are realising the benefits of resource efficiency

Not only can resource efficiency improve productivity, and the bottom line for business, it can bring 'end of pipe' environmental improvements and reduce our reliance on virgin raw materials. 21<sup>st</sup> century regulation must put resource efficiency at the heart of its work.

#### What success looks like:

- Raw materials are used efficiently
- Generation of waste is avoided
- Products are designed for longevity, reusability and recyclability at the end of life
- Waste streams are directed to productive and sustainable uses

#### What we will do:

We already work with Scotland's largest industrial facilities on resource efficiency (waste, raw materials, water, energy and heat) and have a strong track record of facilitating the use of secondary materials through 'end of waste' criteria and other approaches.

SEPA's sector engagement approach and sustainable growth agreements provide an opportunity for a renewed focus on waste and resources across a range of industries. We will embed resource efficiency and circular economy thinking across all our sector engagement plans. This reflects the approach taken in the Scottish Government's Circular Economy Strategy, which identifies food and drink, construction and energy as priority sectors for action.

Collaborative working with sectors, regulated businesses and other organisations will enable innovative sustainable approaches to achieve both compliance and support businesses to go beyond compliance.

We will work with industry to identify innovative opportunities to displace virgin raw materials with secondary materials and pilot new technologies and techniques. This will include using all our regulatory influences and promoting support services from partners.

We will champion sustainable resource use across industries and supply chains and help them take practical actions to improve environmental performance in ways that deliver business success.

## Aim 2: Waste activities are compliant

Scotland has still not achieved basic compliance with waste legislation and there are hugely differing attitudes to compliance across the waste industry. Those who disregard their obligations affect the health and well-being of communities at home and abroad, can undermine investments in more circular approaches and run down the reputation of the waste industry as a whole.

#### What success looks like:

- Everyone understands and complies with the Duty of Care
- Waste facilities are good neighbours and do not cause environmental harm
- Waste activities are operated to a high technical standard by a skilled and professional workforce
- Hazardous
  wastes, low value
  waste and
  problem waste
  streams are
  managed
  sensitively

#### What we will do:

Waste management facilities have disproportionately lower compliance records and more enforcement action is taken in the waste regime than in any other environmental sector. We will use the new integrated authorisation framework and enforcement tools to support those we regulate to meet their obligations more quickly and target our efforts where they will make the biggest difference.

The waste and resources industry is changing rapidly and we will ensure our staff are equipped to provide the right advice, regulate new waste activities effectively and manage the decline of others such as landfill. We will continue to influence the location and design of waste management sites through the planning system and ensure operation to high technical standards through our permits. Hazardous, low value and problem waste streams are a priority.

SEPA will be recognised as a public service helping to protect and improve Scotland's environment and communities from any negative impacts of waste and resource activities.

Each year around 2,000 waste related incidents are reported to SEPA by the public with half focused on nuisance from authorised waste facilities. As Scotland's environmental regulator, we must respond to the concerns of the public and will challenge the waste industry to become a better neighbour.

## Aim 3: Waste crime is eradicated

While Scotland must take all opportunities to use resources more sustainably there are threats, not least from the emergence and entrenchment of criminal behaviours in the waste industry but also from infiltration by serious organised crime groups.

#### What success looks like:

- Nobody uses illegal sites or unauthorised collectors
- Everyone
  understands and
  is prepared to
  pay the market
  rate for a
  compliant waste
  service
- Organised crime groups are not active in the waste industry
- Waste sites are not abandoned at the public's expense

#### What we will do:

Waste crime is a direct threat to the principles and ambitions of a circular economy and while there is crime in the industry, and criminals see it as an attractive market to exploit for illicit profit, we will not realise our aspirations of becoming a resilient resource efficient economy.

We will robustly protect our resources by actively challenging and tackling waste criminals and serious organised crime groups.

The eradication of waste crime is not just about punishing offenders; it's about tackling the conditions that give rise to criminal opportunities in the first place, whether in our legislation, regulations and approach or in the conditions of the market or the business processes of those we regulate. We will work with industry and law enforcement partners to identify these conditions and design robust prevention-based solutions.

Strong partnerships are crucial to success. The ability to share criminal intelligence means we are able to map organised crime in the waste industry and identify the key players profiting from organised crime. This allows us to apply more scrutiny to those with links to wider criminality, as they are more likely to be undertaking criminal behaviour in the waste industry.

This is challenging work, and will need real innovation to be successful. We will innovate in our use of technology and deploy tracking devices, satellites and drones to better identify illegal waste movements and disposal sites and enhance our intelligence-led approach to better understand how waste crime emerges and operates.



We will not shy away from using our full range of powers to crack down on waste crime.

# Aim 4: Maximum value is derived from resources circulating in the economy

Understanding the flow of materials and products is critical to making the right interventions in the right place.

#### What success looks like:

- Recycling services are widespread and the capture of uncontaminated material at source is maximised
- Sorting and processing facilities produce high quality materials and products for market
- Secondary
  materials have a
  good reputation
  and are in
  demand
- Producers
  contribute to the
  collection and
  management of
  their products at
  the end-of-life

#### What we will do:

SEPA will use all its influences to support reuse and recycling and improve the quantity and quality of secondary materials circulating in the economy.

For example, our work on source segregation, producer responsibility, 'end-of-waste' and landfill tax all aim to move waste and materials towards more circular systems.

These actions must work together to achieve this in a way which minimises environmental consequences and ensures the confidence of endusers. Whether managing remanufactured goods, aggregates, fuels, compost, paper or plastic, consistent high quality is the key to long term, sustainable markets and this requires the whole supply chain to play their part.

We will continue to work with business to identify and pursue opportunities to realise value from waste using our full range of tools and approaches. We will always seek to facilitate the productive use of waste within a framework of strong environmental protection.

Our work on food waste seeks to maximise recycling, minimise environmental impact and support long-term, sustainable markets.

We do this by engaging with thousands of food businesses on their duty to separate food waste, working with the treatment facilities to reduce odour impact on communities and setting 'end-of-waste' quality standards for the final compost and digestate.



### 4. How will we achieve success?

This section highlights the key methods and approaches we will use, in line with our six Organisational Characteristics set out in <a href="One Planet">One Planet</a> Prosperity – Our Regulatory Strategy, to deliver our vision and aims.

#### In particular, SEPA will:

- Embed resource efficiency and circular economy thinking across all our sector engagement plans. Our priority will be to map material inputs and outputs and identify ways in which virgin inputs can be replaced with recovered alternatives and how wastes can be put to best use. We will continue to make the case, through the provision of real life examples that resource efficiency leads to business benefits and prosperity.
- Take a 'supply chain' approach to regulation. Regulating sites against authorisation conditions can only take us so far in a world where waste is a tradable commodity. Our approach will be to make the right interventions at the right points. We have taken supply chain approaches to food waste, paper, plastic and tyres and will expand this approach across a range of priority waste streams.
- Use a compliance and inspection model that focusses on outcomes for people and the environment and is proportionate, intelligence led and risk based. We will target resources where we have concerns and in areas which need support to improve or where there are chronic or persistent harms.
- Respond to concerns raised by people and place a clear expectation on operators to have good connections to the communities in which they operate.
- Support innovation in waste and resource management practice which increases resource efficiency, directs wastes towards productive uses and delivers real business benefit while ensuring a high level of environmental protection.
- Use the Regulatory Reform process to put waste regulation on a stronger risk basis, making compliance more straightforward for those who want to do the right thing and more difficult for those who don't.
- Develop our Permitting Service to create a more efficient approach to processing applications and maintaining authorisations. We will also pursue more digital services to modernise waste permitting, compliance and regulation for operators and SEPA.
- Provide information which empowers people to make decisions. We will use waste data and information to underpin policy development at national and local levels, inform regulatory interventions and report on a range of issues including the impact of waste management on communities.
- Influence product design and waste prevention using regulatory tools such as Producer Responsibility and work with partners to explore what further role producer responsibility can play.

- Work with planning authorities to encourage strong waste and resource policies in all development plans and ensure that waste facilities are situated in the appropriate location.
- Ensure our approach to basic compliance and waste crime, including serious organised crime, creates a level playing field for the waste management industry to thrive.
- Invest in our staff to ensure they are skilled and equipped with the right tools, knowledge and training.
- Work in close partnership with others, including Enterprise Agencies, industry and their representative bodies, Zero Waste Scotland, Revenue Scotland and Scottish Government, to help deliver Scotland's circular economy aspirations.

## 5. Conclusion

SEPA has a clear role in helping Scotland move to a more circular economy and we are in a unique place to ensure Scotland's environment is protected, while helping to create prosperity from greater resource efficiency.

This framework will guide SEPA's work in waste and resources over the coming years and will be integral to the delivery of our broader <u>Regulatory Strategy</u>. The framework provides the basis for a more co-ordinated and cohesive approach and will inform more detailed delivery plans.

SEPA will develop and report on specific performance measures within our delivery plans to demonstrate progress and allow others to hold us to account.

At this point in our journey, it is not a choice between driving resource efficiency, preventing harm or tackling crime, we must do it all and do it together.